

## Vogle PEmails

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**From:** Pierce, Chuck R. [CRPIERCE@southernco.com]  
**Sent:** Wednesday, May 07, 2008 4:14 PM  
**To:** Christian Araguas  
**Subject:** Press Release  
**Attachments:** May 08 proj release final.doc

> <<May 08 proj release final.doc>>

**Hearing Identifier:** Vogtle\_Public\_EX  
**Email Number:** 37

**Mail Envelope Properties** (1FABC6A24A379740845286BB8F2E91B801B9E606)

**Subject:** Press Release  
**Sent Date:** 5/7/2008 4:14:28 PM  
**Received Date:** 5/7/2008 4:15:36 PM  
**From:** Pierce, Chuck R.

**Created By:** CRPIERCE@southernco.com

**Recipients:**  
"Christian Araguas" <Christian.Araguas@nrc.gov>  
Tracking Status: None

**Post Office:** ALXAPEX48.southernco.com

<b>Files</b>	<b>Size</b>	<b>Date &amp; Time</b>
MESSAGE	44	5/7/2008 4:15:36 PM
May 08 proj release final.doc	110656	

**Options**  
**Priority:** Standard  
**Return Notification:** No  
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# News



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(404) 506-7676 or 1-800-282-1696  
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May 7, 2008

## Georgia Power, PSC to continue review of nuclear proposal

Georgia Power announced today that it received no bids in response to its 2016-2017 base load capacity request for proposals (RFP). Two weeks ago, after it signed an Engineering, Procurement and Construction (EPC) contract with Westinghouse Electric Company LLC and The Shaw Group Inc.'s Power Group, Georgia Power announced that it would submit a nuclear self-build option for consideration. Georgia Public Service Commission (PSC) rules require market bids to be compared with self-build proposals, but no market bids were received.

The company's self-build nuclear proposal will be reviewed by the Georgia PSC's Independent Evaluator before the company submits a final recommendation to the Georgia PSC on August 1, 2008 for approval. A final certification decision is expected in March 2009.

If certified by the Georgia PSC and licensed by the Nuclear Regulatory Commission (NRC), the two Westinghouse AP1000 units, with a capacity of 1,100 megawatts each, would be constructed at the Vogtle Electric Generating Plant site near Waynesboro, Georgia and would be placed in service in 2016 and 2017, respectively.

Under the EPC contract, the Vogtle co-owners (Georgia Power, Oglethorpe Power, MEAG Power, and Dalton Utilities) will pay a purchase price that will be subject to certain price escalation and adjustments, as well as adjustments for change orders and performance bonuses. The estimated plant value to be placed in service also includes the financing costs for each co-owner, transmission and other costs that are the responsibility of the co-owners, and expected inflation costs.

Under the terms of a separate joint development agreement, the co-owners must finalize their ownership percentages by July 2, 2008 except for allowed changes, under certain limited circumstances, during the Georgia PSC certification process. Georgia Power's proportionate share of the estimated in-service cost of the two units, based on its current ownership interest of 45.7 percent, is approximately \$6.4 billion, subject to adjustments and performance bonuses under the EPC contract.

While the final rate impacts will be determined by the Georgia PSC, the company estimates the typical Georgia Power customer, using 1,000 kilowatt-hours a month, would see a base rate increase of approximately \$12 per month in 2018, when both units are fully operational. The rate impact is expected to decline over time.

“Demand for electricity continues to grow in the Southeast and in Georgia,” said Mike Garrett, Georgia Power president and CEO. “While we will continue to increase our emphasis on energy efficiency and renewable energy sources, we must also add large-scale base load generation to meet growing energy needs. While nuclear power plants cost more to build, they now have lower fuel and operating costs than fossil fuel plants. Nuclear energy would add needed diversity to Georgia Power’s fuel mix at a time when fossil fuel prices are increasing significantly.”

“The company will work with the Georgia PSC’s Independent Evaluator, Accion Group, to finalize information required for certification, including updated fossil fuel and generation technology costs,” said Oscar Harper, Georgia Power’s vice president of nuclear development and resource planning.

Georgia Power is the largest subsidiary of The Southern Company (NYSE: SO), one of the nation’s largest generators of electricity. The company is an investor-owned, tax-paying utility with rates well below the national average. Georgia Power serves 2.3 million customers in all but four of Georgia’s 159 counties.

Oglethorpe Power Corporation is a \$4.9 billion power supply cooperative serving 38 consumer-owned EMCs in Georgia. These EMCs provide retail electric service to approximately 4.1 million Georgians. Oglethorpe Power is the nation’s largest electric cooperative in assets, annual kilowatt-hour sales, and ultimate consumers served.

The Municipal Electric Authority of Georgia (MEAG Power) is a public generation and transmission organization providing power to 49 Georgia communities with annual electric sales of \$721 million and over 10 million-megawatt hours of delivered energy in 2006.

Dalton Utilities has operated as a public utility since 1889 and provides potable water, electrical, natural gas and wastewater treatment services to approximately 65,000 customers in the City of Dalton and portions of Whitfield, Murray, Gordon, Catoosa and Floyd counties. In 2003, Dalton Utilities launched OptiLink and now provides broadband, cable TV, telephone and internet services to residential and business customers.

Southern Nuclear, a subsidiary of Southern Company, operates Plant Vogtle’s two existing nuclear power units for the plant owners. Southern Nuclear also operates the Edwin I. Hatch Nuclear Plant near Baxley, Ga. and the Joseph M. Farley Nuclear Plant near Dothan, Ala.

Westinghouse Electric Company, a group company of Toshiba Corporation, is the world’s pioneering nuclear power company and is a leading supplier of nuclear plant products and technologies to utilities throughout the world. Westinghouse supplied the world’s first Pressurized Water Reactor (PWR) in 1957 in Shippingport, Pa. Today, Westinghouse technology is the basis for approximately one-half of the world’s operating nuclear plants, including 60 percent of those in the United States.

The Shaw Group Inc. (NYSE: SGR), a 20 percent owner of Westinghouse Electric Company, is a leading global provider of technology, engineering, procurement, construction, maintenance, fabrication, manufacturing, consulting, remediation and facilities management services for government and private sector clients in the energy, chemicals, environmental, infrastructure and emergency response markets. A Fortune 500 company with fiscal 2008 revenues expected to exceed \$7 billion, Shaw is headquartered in Baton Rouge, La., and employs approximately 27,000 people at its offices and operations in North America, South America, Europe, the Middle East and the Asia-Pacific region. For further information, please visit Shaw's Web site at [www.shawgrp.com](http://www.shawgrp.com).

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***Cautionary Note Regarding Forward-Looking Statements:***

Certain information contained in this release is forward-looking information based on current expectations and plans that involve risks and uncertainties. Forward-looking information includes, among other things, statements concerning the timing of various regulatory and other actions, plans and cost estimates for new generation resources for Georgia Power, and demand for electricity. Southern Company and Georgia Power caution that there are certain factors that can cause actual results to differ materially from the forward-looking information that has been provided. The reader is cautioned not to put undue reliance on this forward-looking information, which is not a guarantee of future performance and is subject to a number of uncertainties and other factors, many of which are outside the control of Southern Company and Georgia Power; accordingly, there can be no assurance that such suggested results will be realized. The following factors, in addition to those discussed in the Annual Report on Form 10-K for the year ended Dec. 31, 2007 of Southern Company and Georgia Power, and subsequent securities filings, could cause results to differ materially from management expectations as suggested by such forward-looking information: the impact of recent and future federal and state regulatory change, including legislative and regulatory initiatives regarding deregulation and restructuring of the electric utility industry, implementation of the Energy Policy Act of 2005, environmental laws including regulation of water quality and emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances, and also changes in tax and other laws and regulations to which Southern Company, Georgia Power and any of their subsidiaries are subject, as well as changes in application of existing laws and regulations; current and future litigation, regulatory investigations, proceedings or inquiries, including the pending EPA civil actions against certain Southern Company subsidiaries, FERC matters, IRS audits and Mirant-related matters; the effects, extent and timing of the entry of additional competition in the markets in which Southern Company's or Georgia Power's subsidiaries operate; variations in demand for electricity, including those relating to weather, the general economy, population and business growth (and declines), and the effects of energy conservation measures; available sources and costs of fuel; effects of inflation; ability to control costs; advances in technology; state and federal rate regulations and the impact of pending and future rate cases and negotiations, including rate actions relating to fuel and storm restoration cost recovery; regulatory approvals related to the potential Plant Vogtle expansion, including Georgia Public Service Commission and Nuclear Regulatory Commission approvals; potential business strategies, including acquisitions or dispositions of assets or businesses, which cannot be assured to be completed or beneficial to Southern Company, Georgia Power, or any of their subsidiaries; the ability of counterparties of Southern Company or Georgia Power to make payments as and when due and to perform as required; the ability to obtain new short- and long-term contracts with neighboring utilities; the direct or indirect effect on Southern Company's or Georgia Power's business resulting from terrorist incidents and the threat of terrorist incidents; interest rate fluctuations and financial market conditions and the results of financing efforts, including Southern Company's, Georgia Power's, and any of their subsidiaries' credit ratings; the ability of Southern Company, Georgia Power, and any of their subsidiaries to obtain additional generating capacity at competitive prices; catastrophic events such as fires, earthquakes, floods, hurricanes, droughts, pandemic health events such as an avian influenza or other similar occurrences; the direct or indirect effects on Southern Company's or Georgia Power's business resulting from incidents similar to the August 2003 power outage in the Northeast; and the effect of accounting pronouncements issued periodically by standard-setting bodies. Southern Company and Georgia Power expressly disclaim any obligation to update any forward-looking information.